(b) whether his Ministry is of the opinion that roll back of the NALCO sale decision will not only hurt Government's image but also adversely affect the future prospects of the Company; and

(c) if so, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRIARUN SHOURIE): (a) Plant visits by Qualified Interested Parties, which is a part of due diligence, have been suspended with effect from October 29,2002. However, work is carrying on with respect to the other phases of the transaction.

(b) and (c) Investor interest may be impaired if the time line for the disinvestment process becomes uncertain. Uncertainty in this regard can similarly be detrimental for NALCO.

Disinvestment of Qutab Hotel

1817. SHRI SANJAY NIRUPAM: Will the Minister of DISINVESTMENT be pleased to state:

(a) wether Qutab Hotel in Delhi has been taken over by some private company after disinvestment;

(b) if so, the details thereof; and

(c) the reserve price of the hotel and at which price the hotel was sold off?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Following the due process of disinvestment and on the basis of competitive bidding, the entire Government shareholding in Qutab Hotel, New Delhi has been sold in favour of M/s Sushil Gupta & consortium on 20.03.2002.

(c) The reserve price for Qutab Hotel was fixed at Rs. 31.00 crores and it was sold for a price of Rs. 35,67,54,179.00.

Sale of Privatized PSUs

1818. SHRI JANARDHANA POOJARY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that recently privatised PSUs are being sold and resold with profit motive;

(b) if so, the number of such instances with details of bidding/reselling price at each point of sale;

(c) whether such re-selling is facilitated by deliberately under-rating the PSU to enable a predetermined bidder to buy the PSU at a much lesser price than the real worth and re-sell it to another at twice his investment;

(d) if so, the details thereof and Government's reaction thereto; and

(e) whether any inquiry has been instituted in this regard?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) An instance of sale of shareholding of Batra Hospitality Private Limited has been brought to the notice of Government.The entire business of Centaur Hotel Airport Mumbai (CHMA), a unit of Hotel Corporation of India Limited (HCL) was transferred to M/s Batra Hospitality Private Limited (BHPL) on 'slump sale' basis through the process of disinvestment on the basis of their financial bid of Rs. 83 crores received on 18.1.2002. the Agreement to Sell between HCI and BHPL was executed on 18.4.2002 and transfer of the business in favour of BHPL took place on 5.6.2002.Shri A.L. Batra, erstwhile Chairman of BHPL, has intimated that the entire shareholding of BHPL has been bought over by Sahara India Group from the then existing shareholders of BHPL on 10.10.2002. it has also been intimated by Sahara India Group that the total transaction value paid to the shareholders of BHPL amounted to Rs. 45 crores in addition to repaying the borrowings from Oriental Bank of Commerce to the extent of Rs. 70.50 crores. The Agreement to Sell entered into between HCI and BHPL for transfer of the business of CHAM to BHPL prohibits Assignment of the Agreement, benefits or burdens under the Agreement without the prior consent of HCI. Similarly, the Lease Agreement between Airports Authority of India (AAI) and BHPL for the land on which the hotel is located prohibits mortgage, assignment, transfer or sub-lease of the property by BHPL without the prior consent of AAI. The resale as well as the opinion of the Legal Advisors about it, has been referred to the Law Ministry.

(c) No, Sir. In keeping with the best market practices, the four methodologies *viz.,* Discounted Cash Flow Method, Balance Sheet Method, Transaction Multiple Method and Asset Valuation Method are used for the valuation of PSUs.The reserve price is determined by an Inter Ministerial

Committee, on the basis of the advice of the Advisors, appointed for the purpose, and the results obtained using the four separate valuation methodologies. The actual sale price is determined through a process of competitive bidding, which allows the market determined valuation, at that point in time, to be revealed.

(d) Does not arise in view of reply to part (c) above.

(e) The advice given by the Legal Advisor in the case of Centaur Hotel Airport, Mumbai is being examined in the Ministry of Civil Aviation and Department of Legal Affairs.

Change in disinvestment policy

†1819. SHRI BALAKAVI BAIRAGI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether there was no consensus in the Cabinet Committee on the proposal of extending the limit of foreign investment in oil, telecommunications, insurance and aviation sectors and the programme of disinvestment in oil companies has been deferred;

(b) if so, whether Government still propose to increase the limit of foreign investment in haste in some major sectors to attract foreign investors;

(c) if answer to parts (a) and (b) in the affirmative, what is the justification therefore; and

(d) what are the details of major changes to be made in the disinvestment policy?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The matter relating to changes in sectoral caps of foreign investment is under consideration of the Government. With respect to the programme of disinvestment in oil companies, the Government is deciding the modalities of disinvestment of BPCL and HPCL through Inter-Ministerial consultation.

(d) The object of disinvestment is to put national assets to optimal use and to unleash the productive potential inherent in public sector

† Original notice of the question was received in Hindi.